



SMALL BUSINESS

SUBSURFACE SEWAGE TREATMENT SYSTEM (SSTS): LOW INTEREST LOAN PROGRAM

Loan Application, Loan Process, and Loan Details

LOAN APPLICATION

Business Name and Contact Information:

Name of Business: _____

Number of Employees: _____

MN Tax ID #: _____

Name of Applicant(s): _____

Name of Co-Applicant(s): _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Email: _____

Property Address of Failing Septic System:

Building Number: _____

City: _____ State: _____ Zip: _____ Township: _____

Parcel(s) Identification Number(s): _____

Property Information:

Year Structure Built: _____ Year You Purchased Your Property: _____

Is property eligible to connect to city sewer or water? (circle one): **YES NO**

Are you current on your property taxes? (circle one): **YES NO**

Are you current on all mortgages and property liens? (circle one): **YES NO Attach a copy of last or most current mortgage statement, or satisfaction of mortgage.**

Septic System Information:

1. Year Septic System Installed: _____ Date of last system (tank(s) pumped): _____

2. Is your SSTS within 1,000' of a lake, or 300' feet of a stream/river? (circle one): **YES NO**

3. Has your system received a Notice of Noncompliance according to MN Rules 7080 (i.e. Discharges to ground surface or groundwater, contain a cesspool or leaching pit, has less than the required vertical separation pursuant to MN Rules 7080?) (circle one): **YES NO I DON'T KNOW**

If YES, name of Compliance Inspector: _____ Date of Inspection: _____

NOTE: A copy of the Notice of Noncompliance is a required to be submitted to Sherburne County Planning & Zoning.

4. Have you received a Total Cost of Project to repair or replace your noncompliant septic system? (circle one)
YES NO **If yes, please attach Total Cost of Project and return with this Loan Application.** Please note the following:

- Items listed under "Eligible Expense" in SSTS Loan Detail below.
- SSTS Loan Applications cannot be processed without Total Cost of Project (for which you are applying for).
- You may choose to pay for Design costs directly to the Licensed Designer if you do not want these expenses included in your SSTS Loan.
- Sherburne County staff requires all Applicant(s) to obtain at minimum, two bids from state licensed SSTS professionals to ensure that costs are competitive, and that you may not be overpaying for what is required.

Signature Page on page 12 of this SSTS Loan Application Form

LOAN PROCESS

Loan Application: *(NOTE that if you live in an incorporated city or Becker Township, you will need to show proof that you have received a septic permit from your city or Becker Township).*

1. Small Businesses must meet all of the following criteria to be eligible for a SSTS low interest loan:
 - The business must be located in Sherburne County.
 - The business must be registered with the Minnesota Secretary of State and not debarred by the State of Minnesota.
 - The business must not have more than fifty (50) full-time and/or part-time employees.
 - The business generates less than \$1,000,000 in average annual revenues from all sources.
 - The business has no current tax liens on record with the Minnesota Secretary of State and all required licenses and permits are in good standing.

2. Subsurface Sewage Treatment Systems (SSTS) owners interested in the program must complete this Loan Application form and return it to the Sherburne County Planning & Zoning Department (Department), along with:
 - \$100 non-refundable loan origination fee,
 - Copy of last or most current mortgage statement or satisfaction of mortgage,
 - Copy of Notice of Noncompliance from a MN Licensed SSTS Inspector,
 - Copy of business registration with the Minnesota Secretary of State,
 - A copy of the business's signed federal tax returns for the two years prior to the application and, if requested by the Program Administrator, a copy of the business's income statement/profit-loss for the two years prior to the application.

3. The Department will review the Loan Application and determine if the loan qualifies for funding. Applicants are then notified concluding staff review of the application.

4. Due to availability of loan funds, the Department may prioritize loans for properties as follows:
 - Properties where SSTS has been determined to be an Imminent Threat to Public Health as determined a Notice of Non-Compliance.
 - Properties where SSTS is Failing to Protect Groundwater as determined by a Notice of Non-Compliance.

NOTE: The Department may defer its decision on a loan for any property that has transferred ownership within the preceding 12 months to ensure that funds are available for the above listed priority projects during the budget year.

FURTHER NOTE: In accordance with ORD-241, loans will not be approved for any property that has transferred ownership if a Certificate of Compliance has is not provided to the Department at the time a Certificate of Real Estate Value is filed.

5. If approved, applicant is then required to submit the following to Sherburne County Planning & Zoning:

- Sewage Treatment System Permit Application (*NOTE that an application fee is required as established by County Board if location is not in an incorporated city or Becker Township*).
- Sewage Treatment System Design (*must be prepared by a MN Licensed Septic Designer*).
- Lien Recording Fee (\$46).
- Satisfaction of Lien Fee (\$46).
- Total Cost of Project as determined by selected bid (*NOTE that this may include all items listed under "Eligible Expenses" as referenced below in Loan Detail*).

*NOTE: Applicants are required to obtain at minimum two bids, but are not required to select the lowest bid. However the bid that is selected by the Applicant will be determined as the Total Cost of Project. And, any SSTS costs **exceeding** the Total Cost of Project (as determined by bid) will be the responsibility of the Applicant, and not the County.*

6. Sherburne County Planning & Zoning will review the submitted Septic Design and notify you once the permit is ready (*NOTE that work may not begin until you receive a permit to install the septic system*).

7. System is then installed by a MN Licensed Septic Installer and inspected by Sherburne County Planning & Zoning or your Local Unit of Government.

8. Applicant submits copies of all invoices that will be included in the Loan Application to Sherburne County Planning & Zoning. All qualifying items must be listed as "Eligible Expenses" as listed below. (*NOTE as stated above, costs that exceed the bid amount {Total Cost of Project} will be the responsibility of the Applicant*).

9. A copy must be submitted to Sherburne County Planning & Zoning, of the SSTS as-built verifying that the SSTS was properly installed and approved by the applicable permitting authority.

10. Sherburne County Planning & Zoning will then prepare a "Subsurface Sewage Treatment System Loan & Special Assessment Agreement" and request a check to be drawn for the loan amount. You will need to schedule a meeting with Sherburne County Planning & Zoning to sign the Agreement, which will be legally recorded at the Sherburne County Recorder's Office. At this meeting, the check will be issued to both the applicant and the state licensed contractor(s). The applicant shall endorse the check and provide to the contractor. The contractor is required to sign the Mechanic Lien Waiver Form for proof of payment received.

NOTE that Contractor will need to wait approximately two to three weeks until money is disbursed. And, as stated above, any costs that exceed Total Project Cost is the responsibility of the Applicant and not the County.

11. Sherburne County Planning & Zoning prepares a Special Assessment Document and files it with the Sherburne County Auditor/Treasurer's Office.

LOAN DETAIL

Funding Amount:

Maximum Funding:	75 percent of total cost of SSTS, up to \$25,000; 80 percent of total cost of SSTS, up to \$50,000; 85 percent of total cost of SSTS, up to \$75,000; 90 percent of total cost of SSTS, up to \$100,000; And, 100 percent of total cost of SSTS exceeding \$100,000 up to maximum of \$150,000.
Interest Rate:	Shall be determined annually on February 15 th based on the cumulative average percentage increase as set forth in the Consumer Price Index Midwest for all items (CPI-U Midwest), as published in the Bureau of Labor Statistics for the immediate current year. The interest rate may be subject to minimum and maximum rates as set forth in ORD-241, as may be amended from time-to-time.
Origination Fee:	Non-refundable \$100.00 fee per applicant (Payable to Sherburne County Zoning)
Lien Recording Fee:	\$46.00 (Payable to Sherburne County Planning & Zoning)
Lien Satisfaction Fee:	\$46.00 (Payable to Sherburne County Planning & Zoning)
Repayment:	Payable twice a year as a Special Assessment with your Property Taxes (this is a lien on your property). If applicable, your annual escrow amount will increase for the term of this loan.
Term of Repayment:	Payable twice a year over 5 years for total funding up to \$25,000; Payable twice a year over 7 years for total funding up to \$50,000; Payable twice a year over 10 years for total funding up to \$75,000; Payable twice a year over 12 years for total funding up to \$100,000; and, Payable twice a year over 15 years for total funding over \$100,000, up to \$150,000.
Income Limit:	None for loans under \$25,000. All loans exceeding \$25,000 may be underwritten by the County.
Asset Limit:	None
Penalty:	If a court determines that a violation of any County Ordinance or land use permit or license exists on the Property during the term of the Loan, the Loan Funds will become immediately due and payable and the collection schedule for the remaining outstanding balance will be accelerated and become payable in full with the following year's property taxes.

Eligibility Requirements:

- **Land Use and Occupancy:** SSTS loans are available only for owners of an Eligible Small Business and with a sewage design flow of no more than 10,000 gallons per day, and that have been issued a Notice of Noncompliance as defined by MN Rules 7080.1100, Subp. 52. Installation or replacement SSTS for construction of a new dwelling or for renovation or reuse of an unused or abandoned dwelling shall not be eligible for this program.
- **Property Location:** The property must be located entirely within Sherburne County and must be improved with a permanent Commercial or Industrial structure for an Eligible Small Business.
- **Compliance Status:** The existing SSTS serving the small business shall have received a Notice of Noncompliance as defined by MN Rules 7080.1100, Subp. 52. There shall be no active violations of any Sherburne County Ordinance pertaining to that property for which an SSTS Loan is being requested, other than the noncompliant status of the SSTS serving that property.
- **Property Ownership:** The Applicant(s) shall be the property owner defined as the deed holder(s), life estate holder(s) or contract holder(s). If applicant(s) has a contract for deed or life estate, all deed holders' signatures shall be on the SSTS Loan Application and the subsequent lien agreement.
- **Property Taxes and Mortgage:** Applicant(s) shall not be delinquent on their property taxes or mortgage(s).
- **Property Transfers and Disclosure:** MN Statute 115.55, Subd. 6 requires the seller of property to disclose, in writing, information on how sewage generated at the property is being managed. Further, the Sherburne County Zoning Ordinance, Section 17.5, Subd. 8.2.A.1.a requires a "Certificate of Compliance" at the time a "Certificate of Real Estate Value (CRV)" is filed. This SSTS loan program is not a substitute for escrow agreements and other funding mechanisms.

Eligible Expenses:

The following are eligible project expenses:

- SSTS design and construction costs. Both activities shall be performed by a MN licensed SSTS professional. *Please be advised that arrangements to pay your Designer with Loan Funds shall be made in advance (as there may be significant time between design preparation and the actual installation).*
- Plumbing and electrical costs directly related to and necessary for the SSTS.
- Replacement of tank(s) and/or drainfield repairs that will bring existing system into compliance with applicable MPCA rules (e.g. Minn. R. Ch. 7080 to 7083). All work on SSTS shall be performed by a MN licensed SSTS professional.

- Seeding the SSTS installation area, only to extent required by MPCA rules 7080.
- Placement of holding tank(s) may be an eligible cost only if no other SSTS can be installed at the applicant(s) property.
- If available as an alternative to replacement or repair of a failing or non-compliance SSTS, as determined by the Program Administrator, sewer access charges for connection to a municipal sewer system.

**NOTE that any of the above listed eligible expenses shall be considered ineligible if the related project activities are started before the loan application has first been approved by the Sherburne County Planning and Zoning Department.*

Ineligible Expenses:

Loan proceeds may not be used for any expense that is not specifically identified as an eligible improvement or expense in the Ordinance. Loan proceeds may not be used for an SSTS to facilitate new building construction or a new dwelling unit. Loan proceeds may not be used to increase the capacity of a new dwelling unit. Loan proceeds may not be used to increase the capacity of an SSTS beyond what is reasonably required to serve the existing Eligible Small Business.

With the exception of design costs, no improvements commenced or expenses incurred prior to the Department approving an application and issuing a Notice to Proceed will be considered to be an eligible expense.

The following are expenses that are ineligible (not eligible) for an SSTS loan:

- Replacement or repair of an SSTS **prior** to loan application being approved by the Sherburne County Planning and Zoning Office.
- Loan origination fee, special assessment lien agreement recording fees, and satisfaction of lien recording fee.
- Land acquisition or easement costs for construction of an SSTS.
- When there is an SSTS escrow account available because of property transfer or other circumstances.
- Landscaping, seeding, sod and other natural landscape restoration costs **not** required by MN Rules 7080.
- Activities regulated by the National Pollutant Discharge Elimination System (NPDES) permit program.

- Maintenance of an SSTS (including pumping costs, operating costs, monitoring costs, etc.).
- Activities that violate local, state or federal rules, regulations and statutes.
- Other expenses not directly related to SSTS loan replacement or repair activities.
- Sherburne County SSTS Permit Fees.
- Sherburne County Variance Fees.
- Property Line Surveying Costs.

Loan Availability:

- **SSTS Loan:** The availability of SSTS loans are on a first come basis for acceptable and approved applications. The County will loan up to, but may not exceed, an aggregate amount of \$500,000 in any given single year while the program is being offered.
- **SSTS Permitting and Installation:**
 - The SSTS shall be designed and installed by a designer and installer licensed by the State of MN. The SSTS shall be designed and installed in compliance with MN Rules 7080, Sherburne County Ordinances and all other applicable local ordinances.
 - The Applicant(s) are responsible for obtaining a SSTS permit from Sherburne County Planning and Zoning or their Local Unit of Government prior to commencing any SSTS repair or replacement activities.
 - Applicant(s) that reside in cities or towns that administer their own SSTS program shall obtain a permit as required by that municipality and provide copy of permit to Sherburne County Planning and Zoning Department prior to qualifying for this SSTS loan.
- **Local Enforcement:** The availability of SSTS loans may not delay or otherwise influence local or state enforcement activities as may be necessary.
- **Perpetual Revolving Loan Account Structure:** The SSTS Low Interest Loan Program uses a perpetual revolving loan account structure where repayments from prior loans are continually reused to fund new loans in Sherburne County.
- **Small Business Eligible:** SSTS loans are available County wide to small business owners with a sewage design flow of no more than 10,000 gallons per day or less, that have received a Notice of Noncompliance as defined by MN Rules 7080, and are otherwise not served by a Municipal Sewage Treatment Plant.
- **Administration of Loan:** The Sherburne County Planning and Zoning Office is the local unit of government administering the SSTS Low Interest Loan Program.

- Increase Rate of Compliance: Sherburne County is administering the Low Interest Loan Program for SSTS as a lender to accelerate the rate of voluntary SSTS compliance throughout the County.
- Timely Repair or Replacement of SSTS: Approved applicants are expected to have their SSTS repaired or replaced as soon as possible, with completion occurring within 12 months from the date of permit. Approved applicants with expired, approved loans will be allowed to reapply.

SSTS Low Interest Loan Payment and Special Assessment Process:

1. Disbursement of Funds:
 - a. Applicant(s) shall provide final invoice(s) to the County for the Eligible Expenses completed.
 - b. Upon site inspection and approval by the Department, or other applicable local unit of government, for the repair or replacement of the SSTS, the County will provide loan funds as payment to the state-licensed SSTS contractor(s) of the repair or replacement of property owner's SSTS, in an amount **not to exceed Total Cost of Project** (as indicated in the bid). All costs that exceed Total Cost of Project will be the responsibility of the Applicant.
 - c. If the Applicants SSTS lies within a local unit of government that administers their own SSTS, verification that approval of the repair or replacement shall be provided to the Department prior to any disbursement of funds.
2. Covenant to Repay Funds: The applicant agrees, promises, and covenants to repay the funds provided by the County pursuant to this Agreement, including interest of ____%, for the repair or replacement of the SSTS. **Note that interest rate may be adjusted annually based on the Consumer Price Index until the loan is paid off.** The applicant's obligation to repay the loan funds shall be secured by a special assessment (lien agreement) against the applicant's property as provided herein. Property may not transfer until the special assessment (lien agreement) has been paid in full and the loan has been satisfied.
3. Special Assessment: A special assessment (lien agreement) will be placed on the property for actual costs incurred. The special assessment amount will be held on file by Sherburne County Auditor/Treasurer's Office.
4. Terms of Funding Agreement and Repayment: The special assessment against the Applicants property under this agreement shall be payable in equal annual installments twice per year with the applicant(s) property taxes.

5. Prepayment Right: After the first installment of an assessment is entered on to the tax list, Applicant may prepay the entire assessment remaining due before November 15 with interest accrued to December 31 of the year in which the prepayment is made.
6. Penalty: The Loan will become immediately due and payable if a court determines that there any ordinance or permit violations on the Property.

Questions:

Please contact Sherburne County Planning and Zoning Department at 763-765-4450 or zoning@co.sherburne.mn.us. Sherburne County staff recommends that you contact us prior to submitting an application for this loan program.

Signature(s):

AGREEMENT: I hereby certify that I am the owner(s) of the above referenced property or their authorized agent and have read and examined this application form, including SSTS Loan Process and Loan Details, and know the same to be true and correct. All provisions of law and ordinances governing this work will be complied with whether specified herein or not. I/We understand the information I/We provided for this application will be utilized to determine eligibility for the SSTS Low Interest Loan Program and any omissions or erroneous information provided may result in the SSTS Loan not being approved by Sherburne County. I also understand that by applying for a SSTS Loan, I grant Planning and Zoning staff authority to access the above referenced property for inspections throughout the application and loan process.

Printed Name of Applicant

Date

Printed Name of Applicant

Date

Printed Name of Applicant

Date

Printed Name of Applicant

Date

Signature of Applicant

Date

Signature of Applicant

Date

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Date

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Date

Tennessen Warning

The Sherburne County Planning and Zoning (SCP&Z) Department asks that you provide information on the Subsurface Sewage Treatment System: Low Interest Loan Program application form to determine if you are eligible to participate in the SSTS: Low Interest Loan Program. Your Social Security number, your Tax Identification Number, and Tax Returns are considered private data. You are not required to provide this data to the County, but the failure to do so means that the County will be unable to determine your eligibility for a loan and therefore unable to grant a loan even if you might be eligible.

In accordance with the Minnesota Government Data Privacy Act, SCP&Z is required to inform you of your rights regarding data collected from you. We will use your private data (here your Social Security number) only when it is required for the administration and management of the program. Persons or agencies with whom this information may be shared include:

- SCP&Z staff and other persons involved in program administration.
- SCP&Z staff involved in application and financial review.
- Auditors who perform required audits of this program.
- Authorized personnel from the Minnesota Pollution Control Agency, or other local, state, or federal agencies providing funding or other assistance.
- Those persons you authorize to see it.
- Law enforcement personnel in the case of suspected fraud or other enforcement authorities as required.

The County cannot release private data to anyone else or use the private data in any way not authorized by law unless you give the County permission by completing this consent form. Please note data must be released if required by court order. Additionally, your private data may be released if Congress or the Minnesota Legislature passes a new law authorizing or requiring release of such data.

Supplying the information on the application is voluntary. However, a refusal to supply the requested information means you will not be considered for the program.

Applicant's Signature: _____ Date: _____

Co-Applicant's Signature: _____ Date: _____